

ARIZONA.
MOVING INNOVATION AND TECHNOLOGY FORWARD

Branding and Communications Strategy
Recommendations

Prepared for:
The Governor's Council on Innovation and Technology

GCIT Marketing Committee
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GCIT MARKETING COMMITTEE

Under the leadership of the Governor's Council on Innovation and Technology (GCIT), the GCIT Marketing Committee was established to improve Arizona's brand awareness in innovation and technology development. The following business and community leaders are represented on the committee:

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EXECUTIVE SUMMARY

Arizona is a recognized leader in semiconductor, aerospace, and defense industries. The state is also developing strengths in life sciences and sustainable systems. However, Arizona's knowledge assets are not well known. Currently, the efforts to market these assets nationally and internationally have been fragmented. Most communities, regions and statewide organizations have developed marketing materials independent of each other. As a result, Arizona lacks a unified brand for innovation and technology centers of excellence. To better position Arizona's core competencies in the global marketplace, the GCIT Marketing Committee developed the following mission:

Galvanize state and regional leaders to globally market Arizona's knowledge-based assets in technology targeted industries with a unified overarching voice; as well as develop strategies to increase awareness of the state as a world-class innovation and technology center of excellence.

Arizona's targeted industries include:

1. Established - Aerospace and Defense, Semiconductor/Electronics
2. Expanding – Advanced Manufacturing, Communications, IT, Optics
3. Emerging – Life Sciences, Sustainable Systems

To accomplish the mission set forth by the GCIT Marketing Committee, the following goals and objectives were identified:

1. Establish a unified marketing strategy that creates awareness of Arizona's knowledge-based assets in targeted industries to facilitate the growth of existing industries, as well as to encourage new businesses to establish operations in Arizona.
2. Create messages that encourage business and community leaders to speak with a common voice.
3. Increase overall level of spending for statewide marketing activities as they relate to building Arizona's knowledge-based economy.

To support the Committee's efforts, the Arizona Department of Commerce, the Arizona Technology Council, and the Southern Arizona Tech Council commissioned Riester~Robb to conduct a brand development project examining Arizona's brand perception among leaders at high technology companies. In response, four major brand research programs were deployed.

First, a communications audit of Arizona's printed materials was conducted, including brochures, newsletters, feature articles and more. Second, current research studies were analyzed to determine how they characterized Arizona's technology and innovation assets and how they competitively positioned Arizona in the region and the nation at large. Third, a series of brand development workshops were conducted. These workshops collected input from key Arizona leaders in technology and innovation with regard to the

state's present status and future goals as a preferred location for leading edge companies. Fourth, California based executives with decision making power at large, medium and small technology firms were interviewed regarding several issues, including their satisfaction with California, and their perceptions of Arizona.

Several conclusions and recommendations have emerged from this research work. Although Arizona compares favorably to most other states on an analytical basis in terms of providing a prosperous environment for high technology companies, it is not recognized as a leader in this regard. State leaders in the public and private sector who are familiar with Arizona's track record in attracting and sustaining high tech companies believe it can do even better in the future. The research revealed that key decision makers at California technology firms of all sizes had insufficient information about and understanding of Arizona to evaluate the state as a potential candidate for their expansion plans.

It is recommended that in order to better position Arizona's key competitive strengths in innovation and technology, it should establish a special emotional connection with its target audience by appealing to the aspirations of hard-driving corporate executives and risk-taking entrepreneurs. These groups should perceive Arizona as a place where their dreams can become reality. This emotional connection is expressed in this recommendation as a positioning statement. It will be used as a guiding communications principle for the development of printed materials, advertising, and public relations. Although it will never appear in the public domain, it will be levered to inspire much that will: ***Your Boldest Innovations Can Grow Stronger, Faster and Better in Arizona – and So Can You.***

The proposed Communications Strategy provides recommended tactics and creative executions to convey the desired positioning statement to the target audiences, using a three-pronged marketing approach with public relations efforts, advertising collateral and online strategies, and media strategy. Based on all of the information that has been analyzed, it is recommended that Arizona and California, the fifth largest economy in the world, be the primary target for this initiative. The recommended tagline, ***"Arizona. Moving Innovation and Technology Forward"*** should be featured in all print advertising, along with individual Arizona companies' success stories told from the point of view of the Chief Executive Officer or Director.

In addition, the committee will actively work to galvanize business and community leaders to create a unified voice across the state. All developed material will be made available to local, regional and state groups to compliment their communications efforts. As well, an outreach program will be established to encourage these groups to develop local taglines that work in conjunction with and support the statewide advertising efforts.

Following the Communications Strategy, the Research Findings articulate the objectives, methodologies, results, conclusions and recommendations for developing a vital brand for Arizona among the target group of senior managers and entrepreneurs.

COMMUNICATIONS STRATEGY

This Communications Strategy provides a recommendation and rationale to effectively encourage Arizona technology businesses to expand, as well as encourage key business decision-makers in California to consider Arizona as an expansion option for their business. The focus of this strategy is Arizona and California, however the material developed to execute this strategy will also provide the foundation for expanded national and international campaigns.

OBJECTIVE

This Communications Strategy is recommended by the Governor's Council on Innovation and Technology (GCIT) Marketing Committee to position Arizona as a global leader in innovation and technology by strengthening the business infrastructure and by creating and retaining an active marketplace for high quality jobs in Arizona. Specifically:

- **Win On The Home Turf**

This plan will not only convince Arizona business leaders that they have made the right choice about where to work today, but that Arizona is the right choice about where to continue to expand and develop their companies tomorrow.

- **Harvest California**

There are strong indications that numerous California technology companies are challenged by the burdens of living and operating in California. This plan will target and speak directly to this audience and make Arizona one of the first locations they consider for expanding and further developing their businesses.

- **Promote the AZTechBizDev.com Website**

All elements of this plan will serve to promote interest in this new website as a business development tool for in-state and out-of-state technology business owners, decision-makers, and entrepreneurs.

All elements of this Communications Strategy have been informed and influenced by the research findings obtained through the GCIT brand development research project.

This strategy establishes a comprehensive, efficient, multi-channel communications initiative intended to generate and leverage a new positioning for Arizona as a preferred location for high-technology and life sciences companies. Specifically, the plan includes strategies for ongoing development of existing high-tech and life sciences industries in Arizona and attracting business expansion and development from California. The Arizona component of the plan will be supported primarily by public relations and the California component primarily by advertising. This allocation of communications channels is recommended to address an information deficit in Arizona and an awareness deficit in California as it relates to Arizona's competitiveness and key assets.

COLLABORATIONS/PARTNERSHIPS

Across the state, at all levels of local and regional government, a common goal exists to create greater awareness of Arizona as a center for world-class innovation and technological advancement. It is recommended that Arizona's key knowledge-based assets in targeted technology industries can best be leveraged with a unified marketing strategy. To this end, the committee will work to galvanize support for this Communications Strategy as a messaging blueprint for a unified voice in statewide communications efforts. The messaging developed in this strategy's creative executions will be made available to all state, local and regional groups to compliment their individual communications efforts, and to create a broad coalition of business and community leaders involved in crafting marketing messages to build and expand Arizona's target technology industries.

POSITIONING

Based on the research conducted by Riester~Robb, the following aspirational positioning statement is recommended: **Your Boldest Innovations Can Grow Stronger, Faster, Better in Arizona - And So Can You.**

STRATEGY COMPONENTS

A three-pronged marketing approach is recommended, utilizing public relations, advertising, collateral, online and media strategies in tandem to create communications synergy resulting in compelling, persuasive, and on-strategy communications. All elements of this strategy will serve to drive awareness of the AZTechBizDev.com website as a source of relevant, compelling information for Arizona technology business development.

The three key components of the proposed Communications Strategy are:

1. A proactive, comprehensive and aggressive **public relations** outreach campaign to inform and enlighten technology business leaders primarily in Arizona and secondarily in California.
2. An **advertising, collateral and online strategy** delivering exciting and relevant messages to Arizona and California target audiences via print and online media, as well as through direct mail outreach. The goal of this strategy is to increase awareness of Arizona as a leading location for business development and to offer opportunities to acquire more information. This will be the lead communications tool in California.
3. An effective, targeted **media strategy** that builds awareness of Arizona as a desirable location for business expansion, investment, and supply chain opportunities among leading technology executives in Arizona and key California markets.

PUBLIC RELATIONS

PR will be the first communications effort undertaken due to its ability to establish credibility for this campaign among the target audience, and set the context for the activities that follow. Furthermore, all PR activities listed below will serve to drive awareness of the business development resources available at AZTechBizDev.com.

Telling Arizona's Story

Arizona has compelling success stories to tell the Arizona and California high-tech business community.

In Arizona, appropriate forums will be secured to showcase Arizona technology business success stories. These stories will be told, when possible, by the people who made them happen. Major electronic and print media will be levered to help convince business key decision makers in Arizona to further expand their presence in the state.

In light of conditions currently existing in California, there is substantial opportunity to position Arizona as a desirable location for business development expansion and growth. A combination of solid statistics and case studies highlighting Arizona's competitive advantages, along with its reputation as one of the fastest growing areas of the country will be utilized in business and mainstream press to communicate with California businesses and entrepreneurs.

To help tell Arizona's story, it is recommended that media briefings be arranged with key media in California and the California-based representative for Arizona. In addition, it is important that this initiative proactively pitch stories that position Arizona as a premier destination for both businesses and consumers.

Expanded Message Development

Brand research findings resulted in core messaging development. To test and expand these core messaging elements, a messaging/positioning session will be conducted with key stakeholders, including business leaders, government, GCIT members, academia, economic development, and others. These more fully developed messages will serve as the foundation for all outreach, marketing communications and otherwise, and should be woven into the fabric of all promotional materials, press announcements, media tours, etc. They will be distributed to key stakeholders who act as the state's marketing messengers, such as economic development organizations, state government, trade associations, chambers, CVBs, site selectors, and the media – all of whom are focused on delivering these messages to the Arizona and California business communities.

Ambassador Program

A group of influential and respected Arizona-based executives will be recruited to participate in a business ambassadors program for this initiative. These Arizona ambassadors will serve as spokespeople with their Arizona and California-based industry

peers and counterparts at appropriate forums, as well as at national and international forums. At each of these forums, an Arizona ambassador will deliver a clear, accurate and current picture of the advantages Arizona offers in terms of people, location, business climate, resources, infrastructure, and quality of life.

AZ/CA Relations

An Arizona presence in California will be established to further develop technology business development activities for Arizona companies and create new business opportunities, through supplier relations, investment opportunities, R&D, etc. Companies from throughout California and their suppliers heavily attend technology industry conferences in California each year. A local Arizona Department of Commerce representative can effectively identify company and supplier prospects at these diverse industry conferences and events, and immediately follow up with state, regional and local technology business development representatives on the leads that are generated.

Many California-based companies and suppliers have a narrow and inaccurate perception of Arizona. The assets Arizona offers need to be uppermost in the minds of these influencers. This can only be done through establishing personal relationships over a period of time. An in-state representative would be an ideal resource to foster these relationships.

Business Development Missions

Arizona-sponsored events will be organized to inform and motivate senior executives, angel investors and venture capitalists with regard to Arizona as a place to live, work and make investments. These events will be implemented by the ADOC and other economic development organizations, will take place in Arizona and California, and will include guest missionaries including senior Arizona executives as well as the Governor of Arizona. The number of events to be hosted, and the event budgets, are to be determined by GCIT and implemented by the Arizona Department of Commerce.

Backgrounders and Whitepapers

A backgrounder can provide a snapshot overview of Arizona's technology industry sectors with "call-outs" of important data. Sources already exist from which to pull this information, including studies commissioned by ADOC (Batelle), GPEC (IBM study), AeA (CyberStates Reports), Flinn Foundation, and others. A broad backgrounder focusing on the entire Arizona high tech industry should be first priority. Based on resources, the committee will decide whether or not to create 'sector' backgrounders with deeper content in the core tech industry verticals from which the state hopes to grow its economy. These backgrounders can effectively act as "product" data sheets. i.e. – one for bio, one for semiconductor, one for sustainable systems, one for information technology services, etc.

Whitepapers tend to be more technical and in-depth. This can certainly be looked at as a 'support' component of the program. The first phase is a backgrounder with business

leadership-focused marketing messages, later supported by a whitepaper, distributed to the ‘due diligence’ teams that decision-making executives dispatch to analyze whether or not their company should expand in or further develop their profile in Arizona. Whitepaper content would take high-level data call-outs found in the backgrounders and then drill deeper.

Editorial Calendar/Media Pitching

Once target media have been defined, a master editorial calendar will be developed complete with a media contact list. Editorial opportunities will be identified within these publications where story ideas, by-lined articles, case studies, whitepapers, press announcements and other angles/pitches can be presented that will carry the Arizona technology industry/economic development agenda message(s) to our targets via credible third party influencers. This calendar will be used as part of the ongoing media pitching strategy.

Case Studies

Case studies will be created for each technology sector targeted. A minimum of one per vertical sector is required, but two would be best in some cases. Ideally, one case study would focus on small to medium size companies that have started and/or expanded in Arizona. The other should highlight a mezzanine/mature company that has successfully consolidated or expanded in Arizona. This will provide a variety of examples with which the target audience can relate, whether considering start up operations located in Arizona, looking at consolidating operations, or expanding businesses within the state. Case studies will be proactively pitched to key media, and will be presented during in-person meetings with potential targets. It is recommended that a minimum of eight case studies over the course of a year should be developed.

News Releases

Timely and relevant news about Arizona’s growth in core sectors and the overall economy will be important catalysts and tools for engaging the media. For example, when reports such as AeA’s CyberStates announce Arizona’s technology industry rankings, we will share that news with key media, influencers, and all target audiences. For news releases to be effective, it is important to note that they cannot simply be sent out over a newswire or distributed to a targeted list. A proactive media outreach and follow-up engagement plan will be included in these efforts. Ideally, a minimum of eight news releases will serve to generate optimal exposure over the course of a year.

ADVERTISING, COLLATERAL AND ONLINE STRATEGY

All advertising elements used in the communications strategy have been selected on the basis of their ability to create and raise awareness among the target audience, and on the selected media outlined in the media strategy section of this plan. All advertising elements will offer relevant, compelling information that communicates the branding strategy. Each element will deliver an exciting, eye-catching presentation that will appeal

to the known interests and sensibilities of the target audiences in California and Arizona. Additionally, each advertising element listed below will offer the reader/viewer an opportunity for more information via the AZTechBizDev.com website, and the ADOC website.

Gubernatorial Letter with Tech Connect

This quarterly letter will be directed to key target audience influencers and decision makers, and will offer an overview of Arizona's assets in terms of people, location, business climate, resources, infrastructure, incentives, and quality of life. This letter will feature a personal, one-on-one, on-strategy message from the governor to the recipient, and will be accompanied by a copy of the latest quarterly issue of *Tech Connect*, *Arizona's Magazine of Science and Technology*.

Visionary Brochure

This piece will describe Arizona's vision for its future and the future of Arizona's businesses. It will be positioned as a first-level response piece and will effectively compliment the current inventory of collateral throughout the state. The brochure's imagery and content will feature an overarching vista that embraces the entire state in terms of its diverse people, unparalleled locations, vibrant business climate, knowledgeable resources, reliable infrastructure, compelling incentives, regional technology business assets, and invigorating quality of life. Information will be included in this piece to direct the reader to a wide array of state organizations and relevant websites. This brochure is envisioned as an 8-page, full color piece.

Direct Mailer

A series of direct mailers will be developed that have a unique conceptual hook. This hook engages the target senior executive audience with an innovative, fresh idea. Each mailer in the series will individually spotlight Arizona's people, location, business climate, resources, infrastructure and quality of life. The best, affordable production values will be applied to this series. This direct mailer series would be a double-sided postcard design, with full color on one side and one color on the opposite side. The address list for these mailers will be supplied by the ADOC and will target decision-making executives.

Webinars

A series of three 15-minute seminars-on-the-web, or webinars, will be produced and posted on a website for viewing at any time by site visitors. These three webinars should be moderated by an Arizona personality. Each webinar will focus on one of the following topics: Arizona's people, locations, business climate, resources, infrastructure, and quality of life. Noted Arizona experts in each of these fields will participate in the webinars. Downloadable PDF documents with relevant takeaway information on each webinar will be posted on the site. These webinars will be unscripted, with interview dialogue moderated by a host TBD. No special audio editing, sweetening or soundtrack will be required for these webinars.

Print Ad Series

A series of ads spotlighting business leaders from a cross section of high technology companies in Arizona will be developed. These companies will span a number of technologies including but not limited to semiconductor, electronics, information technology, aerospace and defense, life sciences, communications, and sustainable systems. These firms will also be representative of small, medium and large enterprises. These leaders will share their reasons for locating and growing their businesses in Arizona. This will be done in an intimate, one-on-one manner making the ads a personal communication between the Arizona business leader and the viewer. The core copy theme for the series will be quality of life plus at least one other Arizona core business capability.

The primary driver of the ad series messaging will be to encourage business investment, expansion, and supply chain opportunities by building awareness of the unique value and assets of the balanced lifestyle available in Arizona. Although these ads will be targeted at the California business leader, they will be developed in a way that will make them just as effective for use within Arizona.

(These ad concepts will be provided by Riester-Robb as both PDFs and mounted examples for committee review following distribution of this plan. These ad concepts will result in three final print ad designs.)

MEDIA STRATEGY

This media strategy recommendation leverages available information from the brand research and describes a plan to most efficiently and effectively reach the target audience. This media strategy also supports core Public Relations activities by utilizing appropriate vehicles in which Public Relations would otherwise have limited entry. A preliminary plan that details effective media levels for the stated plan objectives at appropriate audience impact levels has been developed, and will be expanded as the project evolves.

The primary objective of this strategy is to build awareness of Arizona as a desirable location for business investment, expansion, and supply-chain opportunities among decision-making technology business executives in key California markets. The secondary objectives for the media strategy are to recognize current in-state companies for their commitment to building Arizona's high-tech industry base, as well as to encourage new business expansion in Arizona from California.

A print media schedule will be developed to effectively reach business decision-makers in an appropriate and credible environment, utilizing key targeted publications that compliment Public Relations messaging.

Media Recommendation

With a niche target audience and defined geographical scope, media's best function is to deliver awareness in areas that are not accessible to public relations. Business journals are recommended based on their ability to effectively deliver technology business decision-makers on a local level. As well, business and technology trade publications will be utilized to target key decision makers within specific technology industries, rather than a specific geographic area. Additionally, Arizona-based technology-focused publications will be considered.

Members of the council and business leaders within each of the targeted technology sectors will be consulted on the best trade publications for furthering the goals of this strategy.

BRAND RESEARCH FINDINGS

I. OBJECTIVE

The Arizona Technology Council, the Southern Arizona Technology Council, and the Arizona Department of Commerce commissioned Riester~Robb to conduct a brand strategy planning study. This research work will help to inform and guide the Governor's Council on Innovation and Technology and the Arizona Department of Commerce in their marketing efforts to encourage companies in Arizona and California to develop and expand their businesses in the state and cultivate greater awareness of Arizona's assets.

II. METHODOLOGY

Multiple methodologies were used to complete this study.

- Existing printed communications materials at the state, local and regional levels were reviewed.
- A series of brand development workshops among public and private sector technology leaders in Arizona was conducted.
- A series of interviews was carried out with senior and C-level executives residing in California to uncover their perceptions and attitudes about the state of Arizona.

III. FINDINGS

MESSAGE/COMMUNICATIONS AUDIT

Individual pieces of promotional print communications material were reviewed. The main message, number of messages, message tonality, image analysis, color analysis and call-to-action for each piece were identified. A summary by topic is below.

Titles

The look and feel of the majority of the titles studied was very similar to titles of research studies evaluated later in this report. Some exceptions are the "Arizona is..." series produced by the Arizona Dept. of Commerce and the "...Opportunity Accelerated..." series developed by the Greater Tucson Economic Council.

Main Message

Even though the message content covers a broad list of topics, most of the messages can be categorized as promoting Arizona either *competitively* or *comparatively*.

Number of Messages

Of the pieces evaluated, nearly half had a single main message. The remainder had multiple messages ranging from two to typically 8 to 10 main messages.

Tonality

Few, if any, of the promotional pieces were considered to be highly motivational. There is little continuity of tonality in these examples.

Images

The most dominant visual themes involved archetypal images of technology and people engaged in technical work. The second most powerful visual theme involved quality of life. There is little consistency of image in these materials.

Colors

Blue, green, black, and extensive white space comprises the major uses of color for most pieces evaluated. No evidence of a conscious application of a particular color palette was found across these pieces.

Call-To-Action

About half of the 33 print pieces had a call-to-action. Of the 12 that included any call-to-action, 8 were targeted at private companies in technology, advanced sciences or R&D. The targets for the remaining four were unclear.

CURRENT RESEARCH SUMMARY

The studies that concentrate on relative ranking of states with regard to technology rank Arizona in the middle third with specific rankings varying depending on the design of the ranking system. The ranking systems used were not standardized. A small sample of the variables used in these studies is displayed below:

- Managerial/Professional Jobs
- Patent Issuances/1000 Businesses
- Technology
- Openness
- Environmental Policy
- Geographic Latitude
- Educational System
- Venture Capital
- Computer Specialists /10,000 Workers

Evaluation processes varied from study to study, and sometimes within the same study. Consequently, comparisons across studies are not reliable and may be fundamentally confusing to anyone auditing them to get a profile of Arizona. Those studies that confined themselves to evaluating technology assets and their relative performance within Arizona reach no detailed consensus on the number or value of those assets.

Overall, this collection of research traces a profile of Arizona as a state perceived to have a favorable ranking for technology assets and competitiveness on a nation-wide basis. Within Arizona, significant assets and infrastructure are in place for the electronics and semiconductor, aerospace and defense industries. Rapidly growing capabilities in the life sciences, advanced communications and information technology, and optics are present as well. Most studies characterize Arizona as beginning a journey that in time will transform it into an economy able to more vigorously support technology companies and technological innovation.

BRAND DEVELOPMENT WORKSHOPS FINDINGS

Three workshops were conducted between July 13 and July 26, 2004, and were attended by key technology and innovation leaders throughout the state. The workshop members were asked to share their insights on a number of topics. The following is a compilation of the findings from these three workshops.

Perceptions

The group members were asked to describe what they thought was the external perception of Arizona as a location for technology and advanced sciences companies. Some thought business executives in Arizona and elsewhere needed more and better information about the state. Others mentioned Arizona is a state with fewer restrictions on small businesses and a more affordable place to live. Arizona State University and the University of Arizona are both held in high regard inside and outside the state. The group was adamant about the need to position the state positively with company heads outside and inside Arizona through aggressive communications.

The group agreed that the internal perceptions of Arizona as a technology leader were highly dependant upon who is interviewed. Most persons involved in technology and the sciences perceive Arizona as a good to excellent place to start or grow a technology company. Many citizens not involved with technology have no idea how important this sector is to the current and future economic success of the state.

Vision

The workshop members were then asked to craft visions for Arizona designed to resonate with senior executives at high tech and advanced science companies. All the visions put forward by the group were positive and aggressive. Many thought the state should be described as a place where new ideas can develop and flourish. Several group members wanted to identify Arizona as having a positive business environment for innovation. Supporting points for this vision were: collaboration with research universities; employee training; support from the banking community; business friendly state and city regulatory environments; quality of life; established technology clusters and supply chain efficiency.

All thought Arizona should use its existing, supportable strengths to promote itself. Some of the strengths mentioned were universities, established base of technology and advanced sciences companies, and a highly trained workforce. Group participants thought success stories about successful businesses and business leaders would be helpful in changing perceptions of Arizona. A recurring theme of “personal independence” was woven into many of the visions offered by the groups. Personal independence was roughly defined as working without any organizational or interpersonal constraints, non-conformity, and a professional and personal life without any automatic or built-in limitations.

Position Statements

A series of six prototype position statements were presented to the group. Three prototypes were comparative or competitive. They made specific claims of performance in or achievement in areas such as education, universities and technology infrastructure. Three were more aspirational in nature. They were designed to appeal to the sense of adventure, risk taking and challenge among business leaders in small or large companies. Discovery, passion, determination and personal drive were recurring themes in these position statements. The group members favored the aspirational statements over the comparative – competitive statements.

C-LEVEL INTERVIEW FINDINGS

In April and May of 2005, interviews were conducted with C-level executives who manage high technology companies in California. They were asked a series of questions to discover the processes they use to evaluate potential business locations, their satisfaction with California as a business location, and their perceptions of Arizona as a business location.

The executives mentioned a variety of variables they would evaluate when the need arose for potential expansion, relocation or consolidation of their businesses.

These issues will be examined separately in this report, but they are not isolated from one another. Rather, they are highly interdependent and synergistic.

Location Evaluation Process

The overarching processes these companies use to evaluate a potential location for expansion, consolidation or relocation are fundamentally identical. According to these executives, an internal, often cross-functional team is formed to find the most advantageous match between the internally identified company needs and the capabilities of various locations. These recommendations are presented to the executive staff for a decision or for further recommendation to the board.

Employee Pool Quality

All the interviewees, being fundamentally optimistic, assumed that the need for expansion or relocation would be driven primarily by revenue growth and improving business conditions. Consequently, the need to maintain and improve the quality and quantity of employees would be of paramount concern. Relocation or consolidation of operations often provokes employee resignations for personal and professional reasons. Replacing key contributors under these circumstances is also critical.

Relocation attrition and business expansion make it necessary to replace employees. The availability of replacements from the local employee pool is advantageous to an area wanting to attract high paying jobs in the knowledge industries. Initially, C-level executives and their staffs will audit the quality of employees at existing firms. Firms in a similar or complementary industry segment are often good sources for experienced employees. In addition, local universities are examined as possible sources of entry-level employees. Colleges dedicated to core skills such as engineering, chemistry, physics or math are especially valuable. The reputation of key faculty members is also considered.

University System Productivity

One of the measures these executives use for productivity of the local university system is described in the section above. The ability of universities to offer a strong supply of talented, entry-level engineers, scientists, managers and others is a valuable support mechanism for executives considering relocation or expansion.

The university system is also a source for technology research and development programs. The more valuable the technology research and development programs a university can offer the more valuable the school is to private companies.

Customer/Market Access

For small firms, and especially for large companies, local customer/market access is an issue that is rapidly decreasing in importance. In a globalized economy, more and more business originates out of state or out of the country for firms of every size. This makes access to a large international airport a key location evaluation issue. Consequently, an easily accessible air transport hub can allow the company to ship its product or transport its experts to customers all over the globe, and is valuable to companies considering expansion, relocation or consolidation.

Business-Friendly Environment

The business atmosphere created by state and local governments is a high priority for the executives interviewed. The three ways in which state and local governments can set the tone for the business environment most directly are relocation incentives, taxes and workers compensation. Incentives are used by virtually every state and local government to attract innovative companies. The business tax structure is also examined when ranking potential relocation sites and the cost of workers' compensation is an important issue for California-based businesses.

Quality of Life

This subject was difficult for most interviewees to articulate because of its relative ambiguity and “softness” compared to other topics discussed. However, some themes did emerge. Quality of life is important to companies because it affects attraction and retention of talented and creative people. Although the perceptions of these employees would be highly subjective, some of the components, which senior managers audit when considering local quality of life issues for expansion or relocation, are:

- Food, transportation and housing cost
- Commute time
- Population density
- Public transportation
- Residential high speed internet access
- Arts and culture

Satisfaction with California

Interviewees were asked how satisfied they were with their current California location. These executives were conflicted about their current California locations. Negative factors included employee costs and quality of life problems. Employee costs are high in terms of salaries and overhead, including workers’ compensation. Some senior managers felt the quality of the employee pool is decreasing because younger, more productive employees cannot afford to live in California. General costs of doing business, such as taxes, commercial real estate and energy are perceived to be much higher in California than in other states. Quality of life problems were exacerbated by residential real estate costs, commute times, stress, and values.

Positive factors expressed regarding California included the extremely high quality of the employee pool currently residing in the state. Mature technology and expertise clusters are numerous in California. Even though many executives felt they were gradually being forced out of the state, the consensus was the opportunity cost of relocating their firms outside California is still too high.

Advice

These executives and senior managers were nearly unanimous in recommending that they needed to be more aware of what Arizona may have to offer them. Most assumed the cost of doing business in Arizona was lower, but were unaware of how much lower. In addition, they were not aware of the value the state could bring to their companies beyond cost reductions.

Most stated that if Arizona had a compelling story regarding superior university system productivity, it would be the one issue that would grab their attention. Some recommended that proving Arizona has a high-quality employee pool in their industry would be convincing. Aggressive incentive packages were mentioned as a mandatory and critical component of any site selection process.

IV. CONCLUSIONS

Significant conclusions were drawn in each area of investigation for this research work. The majority of the communications materials reviewed attempted to motivate interest in Arizona as a place to expand or develop a high tech firm based on either comparative or competitive arguments. Although these efforts do a superior job of supplying comparative and competitive information to the reader, *they do not present a consistent visual image, copy style or tonality for Arizona.*

The research studies evaluated for this report either rank Arizona against other states or independently evaluate technology and innovation capabilities within the state. Arizona's average ranking falls somewhere in the middle at roughly 25. Those studies that evaluated Arizona's internal technology and innovation capabilities recognized specific areas of expertise and characterize these areas as promising. Taken as a whole, this research *identifies Arizona as a state with noteworthy desirability as a location for a high technology firms.*

The branding workshop member visions for the state described a state profile for the future. They were highly aspirational images of Arizona. A Superior K-12 school system, an aggressively supportive legislature and a talented, energetic workforce are examples of how the group members characterized their aspirations for the future of Arizona. The members also selected aspirational positioning statements as the best way to communicate to the business executive audience. *Consequently, aspirational messaging was identified as the most effective way to motivate the target audience.*

The California C-level executives interviewed have a low level of awareness of the value Arizona can offer them and their companies.

V. RECOMMENDATIONS

Riester~Robb strongly suggests that the comparative and competitive Arizona brand positioning be transformed. The branding workshop participant reactions to the three aspirational positioning statements reviewed were very different than their collective reactions to the comparative/competitive positioning statements. These aspirational statements carried considerably more emotional content than did the comparative/competitive positioning statements. The workshop members recorded stronger positive reactions to these three statements than any of the other statements presented to them for review.

A brand position built primarily around an aspirational position can be much more effective than one built around a primarily comparative/competitive positioning. Comparative/competitive content can be used to support an aspirational claim but should not be part of the core brand promise. An aspirational brand can be customized to present Arizona as a unique choice and in the best possible light. Aspirational statements tend to be more flexible and have a longer lifespan. The recommended positioning statement is: **Your Boldest Innovations Can Grow Stronger, Faster and Better In Arizona - and So Can You.**